



## News Release

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### **AT&T AND MICROSOFT ANNOUNCE GLOBAL STRATEGIC AGREEMENT TO DELIVER NEW SERVICES AND APPLICATIONS TO BUSINESSES**

#### *Alliance Leverages AT&T Global IP Network and Microsoft Connected Services Framework*

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**BEDMINSTER, N.J., and REDMOND, Wash.** — AT&T and Microsoft Corp. today announced a groundbreaking strategic alliance that is expected to revolutionize the development, deployment and delivery of next-generation Internet Protocol (IP)-based communications services.

The alliance leverages the far-reaching AT&T global IP network, which can be accessed from 149 countries, and Microsoft® Connected Services Framework, an integrated software solution that enables the rapid delivery of converged communications services across multiple networks and end-user devices. Using Connected Services Framework, AT&T will be able to dynamically create new network-based IP services and applications that can be deployed when and where they are needed.

In addition, the two companies committed to developing a broad array of network-enabled right-time communications services during the next five years that will focus on messaging, collaboration, media and business applications. These services will expand on AT&T's existing IP services portfolio, including the company's recently announced Dynamic Network Applications<sup>SM</sup> (DNA) portfolio, and Microsoft's set of hosted collaboration, communications and business applications, and will drive the development of other service bundles.

One of the first goals of the five-year road map will be an effort by Microsoft to Web services-enable AT&T's voice over Internet protocol (VoIP) service so it can be delivered through the Microsoft Connected Services Framework to enterprise customers along with other communications services. This would give AT&T DNA end users click-to-dial capabilities within any Microsoft Office application.

Through these initiatives, enterprises will gain unprecedented access to and control and management of their IP applications.

This alliance will enable AT&T to leverage Microsoft Connected Services Framework and the innovation of the 6.5 million Microsoft developers and more than 70,000 independent software vendors developing on the Microsoft platform to more rapidly develop new, integrated IP communications services that help enterprises drive revenue

growth. These applications complement AT&T's intelligent, application-aware network, which enables customers to optimize application performance in a dynamic, security-enhanced, globally distributed, virtual environment.

"Today's announcement is yet another milestone for AT&T's strategy to deliver next-generation services atop our application-aware IP network. These services will enable enterprises to implement integrated collaboration, messaging, VoIP and conferencing services without the capital investment that locks them into solutions that are not future-proofed," said Dave Dorman, chairman and CEO of AT&T. "It moves to a new industry level AT&T's intent to deliver to businesses worldwide the promised vision of converged IP-driven services via the world's leading global network. As global commerce increasingly relies on the networked enterprise to move business forward, its significance can't be overstated."

"AT&T is recognized worldwide as a technology innovator, and the strategic alliance we're announcing today will extend its leadership," said Steve Ballmer, chief executive officer of Microsoft. "We're delighted to be partnering with AT&T to develop advanced, software-powered communications services that will create great new opportunities for its customers."

Microsoft Connected Services Framework is an integrated software solution for building and managing complex services using a service-oriented architecture (SOA) and Web service interfaces. Microsoft Connected Services Framework allows telecommunications operators to aggregate, provision and manage converged communications services for their subscribers, regardless of network or device.

AT&T will deploy Microsoft Connected Services Framework as the foundation of its Microsoft .NET-based SOA, which integrates an array of interoperable Web-based, functional capabilities in a simplified, streamlined manner. This will enable AT&T to provide a consistent service interface to its back-office systems for delivering fully managed, on-demand IP communications services. As part of the alliance, AT&T has become a founding member of Microsoft's Connected Services Framework Customer Advisory Board and will help shape the development of its road map priorities.

AT&T delivers the sophisticated networking services that businesses need to compete effectively and efficiently, as evidenced by the customers the company serves, including virtually all of the Fortune 1000 and all of the S&P 500, backed by the world-renowned research, development and intellectual property of AT&T Labs. Through this initiative, AT&T will be able to drive network-based services and applications across its deep customer base, leapfrogging the competition.

Over the last four years alone AT&T will have invested over \$10 billion in capital expenditures to update its network and integrate systems, while further rationalizing cost structure and growing next-generation services. With Microsoft Connected Services Framework, AT&T's application-aware network is being enhanced by a unique managed application software infrastructure that is intended to ultimately allow any business, anywhere in the world, to plug any application on any device into the company's IP-

enabled multiprotocol label switching (MPLS) network. As a result, enterprises will be able to better control and manage their IT infrastructure, and receive real-time application performance management capabilities, supported with the global reach, scale, reliability, security and performance they've grown to expect from AT&T.

AT&T's managed application infrastructure will enable individuals to maximize their collaboration and messaging needs through real-time synchronization. For example, a once-static document could be shared via a portal and not only display the author's name, but also the author's presence, availability and preferred communications method at that moment, including e-mail, instant messaging and voice. With a simple click, documents could be shared through a Web conference among several individuals, and changes to the document could be shared across multiple end-user devices and in the format preferred by the end user. Empowering people to share and communicate through dynamic and flexible means enables more rapid response rates and real-time productivity gains.

AT&T recently announced the availability of its network-based VoIP services (Voice DNASM), which delivers all the functionality of an IP PBX without requiring capital investment. AT&T Voice DNA offers enhanced telephony features and any-distance calling plans and provides a full suite of management and end-user tools that improve productivity for IT administrators and employees. With an easy-to-use Personal Portal, employees can place a call with a single mouse click; move from one phone to another in mid-call without disruption; filter incoming calls; have multiple phones ring at once or sequentially; and manage their voice mail. AT&T Voice DNA delivers functionality beyond what was provided by traditional voice services.

More information can be found at <http://www.att.com> or <http://www.microsoft.com>.